GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6749
ANSWERED ON:10.05.2002
FAKE COMPANIES IN RAJASTHAN
JASWANT SINGH BISHNOI

Will the Minister of FINANCE be pleased to state:

(a) the number of fake companies in Rajasthan which have received funds from small investors during the last five years;

(b) if so, whether any such complaints have been received by the Government from the State Government of Rajasthan;

(c) the authority assigned the responsibility to monitor the activities of such companies; and

(d) the action being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) The Reserve Bank of India (RBI) has intimated that twelve Non-Banking Financial Companies (NBFCs) in Rajasthan which hav mobilized funds from investors, are reportedly not available at their stated office addresses.

(b) Information is being collected and will be laid on table of the House.

(c) & (d) Financial market entities are regulated by SEBI/RBI/Department of Company Affairs (DCA) depending on the nature of thei activities. Appropriate action against entities which fail to meet their obligations is taken by the regulators including debarring them and their promoters/directors etc from the capital market; prosecution and liquidation proceedings etc.

Seven Task forces have been constituted region-wise to identify `vanishing` companies. The Task Forces are monitored by a Central Co-ordinating Committee with Secretary, DCA and Chairman, SEBI as its co-Chairmen.